



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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6th Conference Slogan- Pension Updation is Right of Bank Retirees

Ref No. 2025/0090

Date: 20.11.2025

Shrimati Nirmala Sitharaman
Honorable Finance Minister
Government of India, New Delhi
Email id fmo@nic.in

Respected Madam,

Re: Updation of pension of Bank Retirees

We approach you with humble request on behalf of more than 7 lakhs bank pensioners to resolve long pending issue of Updation of pension.

2. We wish to place the following relevant facts for your kind consideration indicating that demand of Updation of pension of bank retiree is genuine, justified, reasonable and legitimate.

- (a) Defined Benefit Scheme on the model of Government of India / RBI Pension scheme was introduced in banking industry in 1995 with retrospective effect from 1.1.1986 as social measure to provide assured flow of income to ensure dignified and respectable life to bank retirees in post-retirement period.
- (b) In 1986, as per 5th Bipartite Settlement provisions, basic pay of employees was worked out at Consumer Price Index (Base: 1960) 600. In last 38 years, 7 Bipartite Settlements have been signed and implemented. In last settlement which is number 12th in series, basic pay of employees has been worked out on merger of index at 8088. In addition to the merger of DR at given index, increase in basic pay from 8 to 10 per cent is given in each settlement. Because of passage of 38 years' time period and signing of 7 wage settlements, there is enormous and bulky gap in basic pension between the employee retired in 1986 and employee retiring now in 2025 from the same grade. Rs. 100 basic pay in 1986 has become Rs. 2000 plus for new retirees.

- (c) As per pension regulations applicable in banking industry, basic pension of retiree is determined on 50 percent of last basic pay drawn. Effect of the above provision is that , employee retired in 1986 is getting basic pension of Rs.100 while employee retiring now is getting basic pension of Rs. 2000/- for similar position.
- (d) In fact, in each settlement, Updation of basic pension is carried out. However, it is restricted to the retirees who retire during a particular settlement. For example, revised updated pension benefit under 12th settlement has been given and are being given only to the retirees who retired or are retiring under period of 12th settlement commencing from 1.11.2022 to 31.10.2027. Those retired earlier to 1.11.2022 are not given benefit of revised pension fixed in this settlement. Basic pension of retirees belonging to earlier settlements remain unchanged.
- (e) Over period of 38 years, because of the procedure followed in banking industry, the gap between the earlier retirees and those retiring now is widening settlement after settlement and have now become galloping.
- (f) Now in banking industry there are 8 groups of pensioners whose basic pensions are being determined on different neutralization ranging from 600 points to 8088 points. Similarly, for calculation of Dearness Relief also, 8 different formulas are in force. This process is creating class within class and highly discriminative.
- (g) As you are aware, to remove this discrimination, Government of India carries out Updation exercise in each Pay Commission and accordingly basic pension of government pensioners are revised from time to time in accordance of the principles laid down by Honorable Supreme Court in Nakara case.
- (h) Reserve Bank of India taking above facts in to consideration and to remove discrimination have done two exercises of Updation of pension with the approval of the government in 2019 & second one in 2023.
- (i) It is seen that having agreed in principle the need of Updation for bank pensioners at IBA and also government level, now excuse is being given by IBA that because of huge backlog and fund constraint Updation is not possible immediately. Here we would like to invite your kind attention on the fact that this situation has arisen mainly due to failure of the parties to the settlement to carry out exercise of Updation simultaneously for earlier retirees in each settlement and despite the fact that in the settlement of 1993 on pension specific clause was agreed for Updation. Pensioners, in fact, mainly opted for pension option on impression that Updation exercise will be carried out in each settlement simultaneously and principle of equality will be followed. However, it is not

happening leading to huge disappointment, dissatisfaction and anger among lakhs of pensioners and their families.

- (j) It is seen that banks in India are operationally doing extremely well in last 2/ 3 years. We find that Indian banks have shown record net profit of more than 3.10 lakh crores in 24-25. Performance on NPA, Capital adequacy, CASA and other financial parameters have also simultaneously improved considerably in last few years. Therefore, fund constraint should not be issue for Updation in all fairness.
- (k) Recently, with the permission of the government, SBI management has improved pension and brought at par with IBA scheme for all retirees as third benefit in addition to the gratuity and contributory provident fund. Other Banks are improving their contribution for NPS which is now 14 per cent of Basic Pay and dearness allowance needing additional funds. However, when the question of Updation for bank pensioner comes, funds become constraint. It is not fair treatment to bank pensioners.
- (l) Considering the need of pension Updation in banks, IBA had appointed committee of Chief executives of banks 4 years back to examine the issue of Updation. However, till today report of this committee has not come in public domain.
- (m) We appreciate that fund constraint may be relevant issue, but for the government primary and important issue is welfare and to ensure enforcement of principles of justice and equality. We have seen recent judgment of Honorable Supreme Court directing RRB Managements to offer pension scheme from retrospective effect of 1.1.86 as implemented in commercial banks and pay arrears of lakhs of rupees to all eligible retirees and turned down plea of managements on fund constraints. RRBs are now implementing the court order with limited their resources position.
- (n) We wish to bring to your kind notice that those aspiring pension Updation are mainly of age of 75 and more. Some of them are 85 and 90. They have been waiting for Updation for long period with the hope that if Updation is possible in government sector, many loss-making PSUs and RBI, why it is not possible for them recognizing their services to the nation in financial sector. How far it is fair for the government to keep the issue pending in the name of fund paucity. They are becoming highly agitated and angry. They have strong feeling that Government must sanction Updation for bank pensioners at the earliest so that they may enjoy its benefits during their life time.
- (o) Recognizing need of Updation, in last wage settlement, banks have agreed to pay ex-gratia payment ranging from 17 per cent to 2 percent on pension amount payable on 31.10. 2022. It was fixed amount. Therefore, provision was made in the settlement that review of ex-gratia amount will be done annually commencing from 2024. However, no

review exercise has been done by IBA in last two years. In view of increase of inflation by about 10 per cent in last 3 years, real value of ex-gratia has come down.

(p) AIBRF has been pursuing the issue of Updation for last 8 years through organizational efforts. AIBRF delegations have met you 4/5 times with the request to consider Updation of pension for bank retirees.

3. We find that you have been very considerate and sympathetic on bank retiree issues and because of your intervention, some of them like improvement of family pension, 100 percent DA to pre-2002 retirees, pension option to Resignees have been resolved which has benefitted large number of retirees. Bank retiree community is grateful to you for sanction of these demands of retirees.

4. We now humbly request you to kindly consider demand of Updation of pension of bank retirees and grant them honor and respect to them which they really deserve.

With Respectful regards

Sd/-

Sd/-



(S. V. SRINIVASN)
CHAIRMAN

(S.M. DESHPANDE)
PRESIDENT

(S.C.JAIN)
GENERAL SECRETARY

&

OFFICE BEARERS, CENTRAL COMMITTEE MEMBERS & 3 LAKH MEMBERS
ALL INDIA BANK RETIREES FEDERATION (REGD.)

C.C. TO

1. The Secretary, Department of Financial Services, Government of India
E mail id: sec-fs@nic.in
2. The Chairman Indian Bank Association, Mumbai
E-mail id:
3. The Chief Executive & Managing Director, Public Sector Banks

